



## The PSSP and COVID-19

As Nova Scotians continue to navigate living and working during the COVID-19 pandemic, we at Pension Services Corp. remain committed to ensuring our retirees' pensions are paid and protecting the pension members have earned.

Across the globe, we witnessed truly unprecedented volatility in the first half of 2020, as the pandemic plunged economies into paralysis. We had to shift many core operations to a virtual platform in March. All key deliverables were maintained without material interruption.

We understand that many of our members are concerned about the economic impact the pandemic has had on the Public Service Superannuation Plan (PSSP or Plan). During this time, it is important to remember that the COVID-19 pandemic is a temporary phenomenon. The PSSP is a defined benefit pension plan and is designed for sustainability and long-term performance.

Public Service Superannuation Plan Trustee Inc. (the Plan's Trustee) manages and invests for the long term, maintaining a large and very diverse portfolio, and follows robust investment strategies. The Plan's asset mix is built to weather tough times effectively.

With the health and wellness of our staff and Plan members being our top priority, we have now returned to full pre-COVID-19 operations; however, **we are accepting in-person meetings by appointment only**. If a member would like to schedule an appointment, they will need to contact us by phone or email.

For more on our services and Plan information, please visit our website at: [www.nspssp.ca](http://www.nspssp.ca)

## Periods of Absence

During this unprecedented time, we have received many inquiries regarding employee leaves or lay-offs and the options available under the PSSP.

To effectively manage leaves within your organization and meet the requirements of the *Income Tax Act* and the *Public Service Superannuation Act*, employees should be provided with the following options:

1. Pre-pay pension contributions without interest either by a lump sum payment or postdated cheques.
2. Buy back the pensionable service including interest, upon return to work. Employees can contact us to confirm their eligibility, calculate the cost including interest, and advise payment options.

Unlike a leave of absence, if an employee is laid-off, membership in the Plan is stopped. Contributions are not permitted nor is the period of lay-off purchasable.

For more information, please refer to our May 2020 memo regarding Periods of Absence on our website at: [www.nspssp.ca/publicservice/employers/employer-bulletins](http://www.nspssp.ca/publicservice/employers/employer-bulletins)

## NEW

Follow us on social media to stay informed on the Plan's latest news and information.



Follow us on Facebook:  
[www.facebook.com/yourNSPSSP](https://www.facebook.com/yourNSPSSP)



Follow us on Twitter:  
[@yourNSPSSP](https://twitter.com/yourNSPSSP)

## Handling Confidential Information

We would like to remind employers to not send confidential information, such as Social Insurance Numbers, through email. We request that you please send confidential information through our secure file transfer program, MoveIT.

## NEW HRIS Code

We have a new marital status code to use with your HRIS files. In the Marital Status Field, use code 'R' to indicate Domestic Partnership.

## Information regarding the Supplementary Employee Retirement Plan (SERP)

If you are a participating employer in the SERP and have a high earning employee\* in a termination situation, we would like to suggest that you mention to the employee that they should contact us to discuss the impact on their SERP of termination vs. retirement.

\* An employee who has contributed on a salary rate above the annual SERP cap limit (e.g. in 2020 the SERP cap limit was \$175,156).

## The 2019-2020 PSSP Annual Report Highlights:

(as at March 31, 2020)

**91.4%**

Funded Ratio

### Funded Ratio

The Plan was 91.4% funded on a fair market value basis.

**\$6.403**

billion

Net Assets available  
for Benefits

### Financial Position

Net assets available for benefits were \$6.403 billion.

This is a decrease of \$139 million from the previous year.

**-0.19%**

The Plan's return

### Investment Return

The Plan's return on investment was -0.19% (net of investment fees). The Fund underperformed the policy benchmark of 0.15% on a net basis.

## Plan Membership

The Plan had a total of 38,535 members: 18,484 active members, 17,580 retirees, and 2,471 inactive members.

You can view the full Annual Report on our website at:  
[www.nspssp.ca/publicservice/about/plan-performance](http://www.nspssp.ca/publicservice/about/plan-performance)

## Update Regarding CPP Enhancements

The federal government introduced enhancements to the Canada Pension Plan (CPP) in 2016. These enhancements commenced being phased in on January 1, 2019, and that process will continue until 2025.

As you are aware, PSSP pension benefits are integrated with those payable under the CPP.

The Plan's Trustee has been studying the CPP changes and their impact on the integration of PSSP and CPP benefits. A discussion paper has been posted on our website at: [www.nspssp.ca/publicservice/about/psspti-reviews](http://www.nspssp.ca/publicservice/about/psspti-reviews)

The Plan's Trustee anticipates deciding, sometime in the first half of 2021, whether adjustments should be made to the PSSP in response to the CPP changes. That decision will be communicated when made.

## The YMPE for 2021

The Year's Maximum Pensionable Earnings (YMPE) is the maximum amount of earnings on which contributions to the CPP are based. In 2021, the YMPE will be \$61,600. In 2020, the YMPE was \$58,700. For more information on the YMPE, visit the CRA website at: [cra-arc.gc.ca](http://cra-arc.gc.ca)

## Site Visits and Video Conference Meetings:

Our Employer Services Team would be happy to meet with you. It is a great opportunity for us to get to know those we work with every day and to answer any questions or concerns you may have. In addition to site visits, we are also offering meetings via video conferencing services, such as Zoom. If you would like to meet with us, please contact your Employer Services Analyst.

We appreciate your feedback. If you have a comment or a suggested topic for this newsletter, please contact us at:

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All information presented in this document is premised on the Plan rules and criteria which currently exist under the Public Service Superannuation Act (the "PSSA") and the plan text made thereunder. This document explains in plain language aspects of the rules and criteria of the Plan. Plan members, beneficiaries, and others who wish to determine their legal rights and obligations under the Plan should refer to the PSSA, the plan text, or other legal documents as appropriate. In the event of a discrepancy between the information provided in this document and the legislation and/or legal documents, the latter takes precedence.